

Message Text

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ACTION EUR-12

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-----089119 121445Z /64

P 121337Z SEP 78
FM AMEMBASSY BUCHAREST
TO USDOC WASHDC PRIORITY
INFO SECSTATE WASHDC 1531
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AMEMBASSY BERLIN
AMEMBASSY SOFIA
AMCONSUL ZAGREB

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E.O. 11652: N/A
TAGS: BEXP, RO
SUBJECT: METALLURGICAL PROCESS EQUIPMENT TSS

REF: USDOC 15531

1. MARKET SURVEY OF METALLURGICAL INDUSTRY WHICH APPEARS BELOW IS BEING SUBMITTED BY POST TO SERVE AS GOR INDUSTRY PROFILE AND TO AID USDOC IN RECRUITMENT OF U.S. COMPANIES. SURVEY HAS BEEN PREPARED FROM INFO PROVIDED BY MINISTRY OF METALLURGY, VARIOUS SUBORDINATE FTOS AND PUBLISHED FIVE-YEAR PLAN (FYP) PRIORITIES.

2. CURRENT STATUS OF ROMANIA'S METALLURGICAL AND METAL-WORKING INDUSTRIES:

A. METALLURGY IS ONE OF LEADING INDUSTRIAL BRANCHES IN ROMANIA. IN 1976, PER CAPITA STEEL OUTPUT REACHED 500 KG, UP FROM PRE-WORLD WAR II LEVEL OF 18 KG. ACCORDING TO GOR ESTIMATES, IN 1980, PER CAPITA STEEL PUTPUT WILL BE APPROXIMATELY FOUR TIMES HIGHER THAN WORLD AVERAGE AND ABOUT 30 PERCENT ABOVE AVERAGE FOR EUROPE.

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B. CURRENT FYP (1976-80) ASSIGNS SIGNIFICANT ROLE TO DEVELOPMENT OF METALLURGY. EMPHASIS IS BEING PLACED ON OVERALL RISE IN METAL OUTPUT AS WELL AS IMPROVEMENT OF ASSORTMENT PATTERN. SHARE OF ALLOYS AND SPECIAL STEELS WITHIN OVERALL OUTPUT EQUALED 10 PERCENT IN 1977 AND IS SCHEDULED TO RISE TO 13 PERCENT IN NEAR TERM. DEVELOPMENT WILL FOCUS ON PRODUCTION OF (A) SEMI-CONDUCTOR AND EXTRA-PURE METALS NEEDED IN ELEC-

TRONICS, (B) NON-FERROUS AND REFRACTORY METALS AND ALLOYS, HIGHLY RESISTANT TO CORROSION, AND (C) ALUMINUM. IT IS EXPECTED THAT BY 1990, APPROXIMATELY TWO-THIRDS OF EXPECTED OUTPUT OF 25-27 MILLION TONS OF STEEL WILL BE HIGH-QUALITY ALLOY, SPECIAL AND CARBON STEELS. DATA AVAILABLE FOR GROWTH OF PRODUCTION IN STEEL AND ALUMINUM (INCLUDING ALUMINUM ALLOYS) DURING PRESENT FYP HAS BEEN GIVEN AS FOLLOWS:

PRODUCTION QUANTITIES, 1976-80

(THOUSANDS OF TONS)

	1976	1977	1978	1979	1980
STEEL	10970	11980	13300	14250	16950
ALUMINUM AND					
ALUMINUM ALLOYS	206	208	217	243	258

3. INVESTMENT: ACCORDING TO FYP PROVISIONS, TOTAL INVESTMENT PROGRAM FOR 1976-80 WILL AMOUNT TO NEARLY \$200 BILLION, OUT OF WHICH ABOUT \$116 BILLION IS MARKED FOR INDUSTRY. IT IS SIGNIFICANT THAT 70 PERCENT OF TOTAL INVESTMENT FUNDS ALLOCATED TO INDUSTRY IS DESTINED FOR BASIC INDUSTRIAL BRANCHES: METALLURGY, MACHINE BUILDING, POWER, AND CHEMICAL INDUSTRY. SHARE OF METALLURGY IN TOTAL INVESTMENT FUND IS NOT OFFICIALLY AVAILABLE. EMBASSY ESTIMATES THAT IT MAY RUN AS HIGH AS 25 PERCENT. SUPPLEMENTARY PROGRAM FOR CURRENT FYP, ADOPTED IN 1977, SHOWS INCREASE IN INVESTMENTS IN METALLURGICAL INDUSTRY BY \$1.14 BILLION. THIS INCREASE WAS SPECIFICALLY DESIGNATED FOR UNCLASSIFIED

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FOLLOWING PROJECTS:

- ADVANCEMENT OF START-UP DATE FOR CALARASI STEEL MILL FROM 1980 TO 1979,
- EXPANSION OF COKING CAPACITY AT GALATI STEEL MILL,
- DEVELOPMENT OF BILLET AND PIG IRON FORGING AT TIRGOVISTE SPECIAL STEEL PLANT,
- DEVELOPMENT OF PRODUCTION CAPACITY FOR WELDED JOINT DRILL PIPE SECTORS AND TUBING FOR DEEP DRILLING AT "REPUBLICA" TUBE PLANT IN BUCHAREST,
- CONSTRUCTION OF LIGHT SHAPE STEEL MILL AT DOBRETA TURN-SEVERIN, AND
- EXPANSION OF PRODUCTION CAPACITY OF SPECIAL SECTION MEDIUM-SHAPE STEEL MILL AT OTELUL ROSU PLANT.

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4. SPECIFIC PROJECTS FOR WHICH ROMANIA SEEKS FOREIGN PARTICIPATION:

A. DEFINITE FOREIGN PARTICIPATION DES)RED

- (1) STEEL CONTINUOUS CASTING FOR CALARASI STEEL MILL,
- (2) HEAVY STRUCTURE AND RAIL MILL FOR CALARASI STEEL MILL,
- (3) EXTENSION OF STEEL MELTING SHOPS (SPECIAL ITEMS ONLY) FOR CALARASI AND GALATI,
- (4) HOT PILGER MILL FOR TUBES,
- (5) SENDZIMIR MILL, AND
- (6) PRESS FOR HEAVY PLATE (COLD) STRAIGHTENING FOR GALATI (VALUE ABOUT \$10 MILLION).

B. FOREIGN PARTICIPATION POSSIBLE

- (1) CHEMICAL PROCESS FOR GAS DE-SULPHERIZING RESULTING FROM COKING PROCESS AT CALARASI AND GALATI STEEL MILLS,
- (2) DEVELOPMENT OF PRODUCTION CAPACITY FOR WELDED JOINT DRILL PIPE SECTORS AND TUBING FOR DEEP DRILLING AT "REPUBLICA" TUBE PLANT,
- (3) SPECIAL MECHINES (GRINDERS, FINISHING EQUIPMENT, ETC.) FOR MEDIUM-SHAPE STEEL MILL AT OTELUL ROSU PLANT,
- (4) COOLING INSTALLATION FOR SLATINA ALUMINUM PLANT (VALUE UNCLASSIFIED

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- ABOUT \$.3 MILLION),
- (5) VACUUM ARC FURNACE (VALUE ABOUT \$1 MILLION), AND
 - (6) LIGHT SHAPE STEEL MILL AT DROBETA TURNU-SEVERIN.

5. MINISTRY OF METALLURGY PROMISED TO PROVIDE US WITH MORE INFORMATION ON PROJECTS AND SPECIFIC U.S. COMPANIES THEY WOULD LIKE TO HAVE PARTICIPATE IN NEXT FEW WEEKS. WE WILL TRANSMIT THIS ADDITIONAL INFO AS IT BECOMES AVAILABLE.

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